

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re Firestar Diamond Inc & Fantasy Inc (Combined)  
Debtor

Case No. 18-10509 (SHL) / 18-10511 (SHL)  
Reporting Period: 5/1/19 - 5/31/19

Federal Tax I.D. # 27-0082729 Firestar Diamond Inc  
90-0881673 Fantasy Inc

**CORPORATE MONTHLY OPERATING REPORT**

**File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.**

*(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)*

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	<a href="#">MOR-1</a>	See Exhibit A "Firestar & Fantasy Cash Register"	
Bank Reconciliation (or copies of debtor's bank reconciliations)	<a href="#">MOR-1 (CONT)</a>		
Copies of bank statements		Included	
Cash disbursements journals		See Exhibit A " Firestar & Fantasy Cash Register"	
Statement of Operations	<a href="#">MOR-2</a>	See Exhibit B "Firestar, Fantasy & Consolidated Income Statements"	
Balance Sheet	<a href="#">MOR-3</a>	See Exhibit C "Firestar, Fantasy & Consolidated Balance Sheets"	
Status of Post-petition Taxes	<a href="#">MOR-4</a>	Not applicable	
Copies of IRS Form 6123 or payment receipt		Not applicable	
Copies of tax returns filed during reporting period		Not applicable	
Summary of Unpaid Post-petition Debts	<a href="#">MOR-4</a>	See Exhibit D "Post Petition Payables"	
Listing of Aged Accounts Payable			
Accounts Receivable Reconciliation and Aging	<a href="#">MOR-5</a>		
Taxes Reconciliation and Aging	<a href="#">MOR-5</a>		
Payments to Insiders and Professional	<a href="#">MOR-6</a>		
Post Petition Status of Secured Notes, Leases Payable	<a href="#">MOR-6</a>		
Debtor Questionnaire	<a href="#">MOR-7</a>		

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

/s/ Richard Levin, Chapter 11 Trustee

6/24/2019

**This MOR reflects corrections from prior reports made to correctly reflect the Companies' financial statements.**

In re Firestar Diamond Inc &amp; Fantasy Inc (Combined)

Debtor

5/1/19 - 5/31/19

**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

ACCOUNT NUMBER (LAST 4)	Firestar United Bank Account (9796)	Fantasy United Bank Account (9842)	Current Month Total (All Accounts)
<b>CASH BEGINNING OF MONTH</b>	<b>1,093,947</b>	<b>467,210</b>	<b>1,561,157</b>
<b>RECEIPTS</b>			
Cash Sales	-	-	-
Collections On Pre-Petition Accounts Receivable	-	-	-
Collections On Post-Petition Accounts Receivable	225,420	-	225,420
Memo Sales	17,617	-	17,617
Sale Of Assets	112,250	-	112,250
Royalties	-	-	-
Other (Miscellaneous)	329,554	-	329,554
Transfers (From DIP Accts)	-	-	-
<b>TOTAL RECEIPTS</b>	<b>684,841</b>	<b>-</b>	<b>684,841</b>
<b>DISBURSEMENTS</b>			
Net Payroll (Includes Employee's Payroll Taxes)	-	-	-
Payroll Taxes	-	-	-
Employee Benefits	(1,754)	-	(1,754)
Sales, Use, & Other Taxes	-	-	-
Utilities	-	-	-
Secured (Bank Loan Interest Payments & Quarterly Line Fee)/Rental/Leases	-	-	-
Insurance	(3,120)	-	(3,120)
Administrative	(804)	-	(804)
Logistics	-	-	-
Operations	(3,335)	-	(3,335)
Court Approved Wages, 503(B) 9 And Critical Vendors	-	-	-
Court Approved Bank Loan Payments	-	-	-
Restructuring	(9,247)	-	(9,247)
Investing Activities/90-Day Treasury Bill	-	-	-
Transfers (To DIP Accts)	-	-	-
Professional Fees	(365,684)	-	(365,684)
U.S. Trustee Quarterly Fees	-	-	-
Court Costs	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>(383,943)</b>	<b>-</b>	<b>(383,943)</b>
<b>Net Cash Flow</b>	<b>300,899</b>	<b>-</b>	<b>300,899</b>
(Receipts Less Disbursements)			
<b>CASH – END OF MONTH</b>	<b>1,394,846</b>	<b>467,210</b>	<b>1,862,055</b>

In re Firestar Diamond Inc & Fantasy Inc (Combined)Debtor

5/1/19 - 5/31/19

**THE FOLLOWING SECTION MUST BE COMPLETED**

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

	Firestar Diamond Inc	Fantasy Inc	Total
<b>TOTAL DISBURSEMENTS</b>	(383,943)	-	(383,943)
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS / PURCHASE OF 90- DAY TREASURY BILL	-	-	-
PLUS: ESTATE DISBURSEMENTS MADE BY	-	-	-
<b>TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES</b>	(383,943)	-	(383,943)

In re Firestar Diamond Inc &amp; Fantasy Inc (Combined)

Case No. 18-10509 (SHL) / 18-10511 (SHL)

Debtor

Reporting Period:

5/1/19 - 5/31/19

**BANK RECONCILIATIONS****Continuation Sheet for MOR-1**

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.

(Bank account numbers may be redacted to last four numbers.)

	Firestar United Bank Account (9796)	Fantasy United Bank Account (9842)
<b>BALANCE PER BOOKS</b>	1,394,846	467,210
<b>BANK BALANCE</b>	1,402,450	467,210
(+) DEPOSITS IN TRANSIT ( <i>ATTACH LIST</i> )	-	-
(-) OUTSTANDING CHECKS ( <i>ATTACH LIST</i> ):	(7,604)	-
OTHER ( <i>ADJUSTMENTS TO BE POSTED TO BOOKS</i> )	-	-
<b>ADJUSTED BANK BALANCE *</b>	1,394,846	467,210

\*"Adjusted Bank Balance" must equal "Balance per Books"

DEPOSITS IN TRANSIT	Ref. #	Amount	Date	Payor	Account
CHECKS OUTSTANDING	Ck. #	Amount	Date	Payee	Account
	110	1,149.00	01/29/19	CT Corporation	Firestar - 9796
	134	3,120.00	05/21/19	JM Insurance Services, LLC	Firestar - 9796
	135	3,335.00	05/30/19	Levon Dursunian	Firestar - 9796

OTHER

**Debtor****STATEMENT OF OPERATIONS (Income Statement)**

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	CURRENT MONTH	CUMULATIVE - FILING TO DATE
Gross Revenues	81,017	39,595,491
Less: Returns and Allowances	-	(7,126,874)
Net Revenue	81,017	32,468,617
<b>COST OF GOODS SOLD</b>		
Beginning Inventory	4,874,803	41,040,181
Add: Purchases (includes returned goods)	-	4,423,398
Add: Cost of Labor	3,335	265,139
Add: Other Costs/Adjustments	-	946,648
Less: Ending Inventory	4,608,191	4,608,191
Cost of Goods Sold	269,947	42,067,175
Gross Profit (Loss)	(188,930)	(9,598,559)
<b>OPERATING EXPENSES</b>		
Advertising & Marketing	-	488,900
Auto and Truck Expense	-	-
Bad Debts	-	9,076,146
Contributions	-	-
Employee Benefits	-	92,575
Officer/Insider Compensation*	-	235,967
Insurance	3,120	193,987
Management Fees/Bonuses	-	-
Office Expense	(278,751)	(230,345)
Pension & Profit-Sharing Plans	-	-
Repairs and Maintenance	-	-
Rent and Lease Expense	-	270,627
Salaries/Commissions/Fees	-	1,285,536
Show Expense	-	68,765
Supplies	-	-
Taxes - Payroll	-	136,230
Taxes - Real Estate	-	-
Taxes - Other	-	42,165
Travel and Entertainment	-	24,464
Utilities	-	19,716
Other (see MOR-2a Schedule)	2,500	766,789
Total Operating Expenses Before Depreciation	(273,131)	12,471,520
Depreciation/Depletion/Amortization	-	287,697
Net Profit (Loss) Before Other Income & Expenses	84,201	(22,357,775)
<b>OTHER INCOME AND EXPENSES</b>		
Other Income	-	58,375
Interest Expense	-	682,516
Other Expense (Bank Charges)	-	11,759
Net Profit (Loss) Before Reorganization Items	84,201	(23,052,050)

**Debtor****STATEMENT OF OPERATIONS (Income Statement)**

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	CURRENT MONTH	CUMULATIVE - FILING TO DATE
<b>REORGANIZATION ITEMS</b>		
Professional Fees ( <i>see MOR-6</i> ) as adjusted	355,899	5,891,018
U. S. Trustee Quarterly Fees	4,875	245,103
Adj due to prior accrual true-up	(36,687)	394,678
Loss due to writeoff of Other Assets, Fixed Assets and accrued liabilities and expenses	-	762,318
Loss due to increase in Allowance for Bad Debt	-	6,419,541
Other Reorganization Expenses ( <i>see below</i> )	10,000	1,368,624
Total Reorganization Expenses	334,087	15,081,283
Income Taxes	-	-
Net Profit (Loss)	(249,887)	(38,133,333)

\*"Insider" is defined in 11 U.S.C. Section 101(31).

**BREAKDOWN OF "OTHER" CATEGORY****OTHER REORGANIZATION EXPENSES**

Legal Publication Fee for Bid Procedure	-	17,967
Adequate Protection Obligations (Bank's Attorneys' Fee)	-	1,153,621
V Discovery Fee	10,000	197,037

In re Firestar Diamond Inc & Fantasy Inc 18-10509 (SHL) / 18-  
**Debtor**

**OTHER EXPENSES** (Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

OTHER EXPENSES	CURRENT MONTH	CUMULATIVE - FILING TO DATE
Shipping Expense	-	(3,048)
Royalty Expense	-	163,010
Computer Expense	-	44,345
Back Office Expense	-	120,909
Vault Monitors	-	269,635
Bank Charges	-	17,123
Professional Fees (pre-petition invoices)	-	70,104
Miscellaneous	2,500	84,709
	2,500	766,788

In re Firestar Diamond Inc & Fantasy Inc (Combined)  
Debtor

18-10509 (SHL) / 18-  
Case No. 10511 (SHL)  
Reporting Period: 5/1/19 - 5/31/19

**BALANCE SHEET**

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED
<b>CURRENT ASSETS</b>			
Unrestricted Cash and Equivalents	1,813,205	1,561,157	4,333,143
Restricted Cash and Cash Equivalents	5,018,517	4,969,667	-
Accounts Receivable (Net of Advertising Allowance)	1,063,843	1,201,335	21,045,799
Notes Receivable	-	-	-
Inventories	4,608,191	4,874,803	41,040,181
Prepaid Expenses	-	-	560,841
Professional Retainers	-	-	-
Other Current Assets (See tab "Balance Sheet")	-	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>12,503,755</b>	<b>12,606,961</b>	<b>66,979,964</b>
<b>PROPERTY &amp; EQUIPMENT</b>			
Real Property and Improvements	-	-	-
Machinery and Equipment	-	-	279,061
Furniture, Fixtures and Office Equipment	-	-	3,543,518
Leasehold Improvements	-	-	480,116
Vehicles	-	-	-
Less: Accumulated Depreciation	-	-	(3,798,079)
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<b>-</b>	<b>-</b>	<b>504,616</b>
<b>OTHER ASSETS</b>			
Amounts due from Insiders*	2,275,539	2,275,539	2,321,040
Other Assets	-	-	2,410,108
<b>TOTAL OTHER ASSETS</b>	<b>2,275,539</b>	<b>2,275,539</b>	<b>4,731,148</b>
<b>TOTAL ASSETS</b>	<b>14,779,295</b>	<b>14,882,500</b>	<b>72,215,728</b>

LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
<b>LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)</b>			
Accounts Payable (refer to FORM MOR-4 for breakdown)	19,575	17,075	-
Taxes Payable (refer to FORM MOR-4)	-	-	-
Wages Payable	-	-	-
Due to Escrow Account	48,850	-	-
Rent / Leases - Building/Equipment	-	-	-
Secured Debt / Adequate Protection Payments	-	-	-
Professional Fees	2,025,778	1,930,447	-
Amounts Due to Insiders*	-	-	-
Other Post-petition Liabilities (Accrued Disability & 401K Payable)	-	-	-
<b>TOTAL POST-PETITION LIABILITIES</b>	<b>2,094,203</b>	<b>1,947,522</b>	<b>-</b>
<b>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</b>			
Secured Debt	-	-	20,079,007
Priority Debt	-	-	-
Deferred Taxes - Long Term	-	-	670,000
Deferred Rent	-	-	96,189
Unsecured Debt	44,075,599	44,075,599	44,627,706
<b>TOTAL PRE-PETITION LIABILITIES</b>	<b>44,075,599</b>	<b>44,075,599</b>	<b>65,472,902</b>
<b>TOTAL LIABILITIES</b>	<b>46,169,802</b>	<b>46,023,121</b>	<b>65,472,902</b>
<b>OWNERS' EQUITY</b>			
Capital Stock	110	110	110
Additional Paid-In Capital	4,705,790	4,705,790	4,705,790
Partners' Capital Account	-	-	-
Owner's Equity Account	-	-	-
Retained Earnings - Pre-Petition	2,036,926	2,036,926	2,036,926
Retained Earnings - Post-petition	(38,133,333)	(37,883,447)	-
Adjustments to Owner Equity (See Below)	-	-	-
Post-petition Contributions (attach schedule)	-	-	-
<b>NET OWNERS' EQUITY</b>	<b>(31,390,507)</b>	<b>(31,140,621)</b>	<b>6,742,826</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>14,779,295</b>	<b>14,882,501</b>	<b>72,215,728</b>

\*"Insider" is defined in 11 U.S.C. Section 101(31).



In re Firestar Diamond Inc & Fantasy Inc (Combined)

Case No. 18-10509 (SHL) / 18-10511 (SHL)

Debtor

Reporting Period: 5/1/19 - 5/31/19

### STATUS OF POST-PETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.

Attach photocopies of any tax returns filed during the reporting period.

Federal	Beginning Tax	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax
Withholding	-	-	-			-
FICA/Medicare-Employee	-	-	-			-
FICA/Medicare-Employer	-	-	-			-
Unemployment	-	-	-			-
Income	-	-	-			-
Other:	-	-	-			-
Total Federal Taxes	-	-	-	-	-	-
State and Local						
Withholding	-	-	-			-
Sales	-	-				-
Excise	-	-				-
Unemployment	-	-	-			-
Real Property	-	-				-
Personal Property	-	-				-
Other (Local):	-	-	-			-
Total State and Local	-	-	-			-
<b>Total Taxes</b>	-	-	-	-	-	-

### SUMMARY OF UNPAID POST-PETITION DEBTS

Attached is the aged listing of accounts payable.

	Current	1-30	31-60	61-90	Over 91	Total
Accounts Payable	12,700	2,500	-	-	4,375	19,575
Plus Debit balances in Post-Petition A/P, which were added to A/R	-	-	-	-	-	-
Plus Credit balances in A/R, which were added to A/P	-	-	-	-	23,252	23,252
Wages Payable	-	-	-	-	-	-
Professional Fees (Accrued)	355,899	492,343	77,964	41,337	1,058,234	2,025,778
Amounts Due to Insiders (Accrued Payroll)	-	-	-	-	-	-
Other: (Accrued Disability & 401K Payable)	-	-	-	-	-	-
Other:	-	-	-	-	-	-
<b>Total Post-petition Debts</b>	<b>368,599</b>	<b>494,843</b>	<b>77,964</b>	<b>41,337</b>	<b>1,085,861</b>	<b>2,068,605</b>

Explain how and when the Debtor intends to pay any past due post-petition debts.

The Debtors expect to pay all Post-Petition debts with their existing cash.

In re Firestar Diamond Inc & Fantasy Inc (Combined)  
Debtor

Case No. 18-10509 (SHL) / 18-10511 (SHL)  
Reporting Period: 5/1/19 - 5/31/19

### ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	7,495,220
Plus: Amounts billed (net) during the period	110,000
Less: Amounts collected during the period	(335,420)
Plus: A/R collected previously not captured	87,928
Total Accounts Receivable at the end of the reporting period	7,357,728

### Aged by Invoice Date

Accounts Receivable Aging	1-30 Days	31-60 Days	61-90 Days	91+ Days	Total
1 - 30 days old	-				-
31 - 60 days old		-			-
61 - 90 days old			11,483		11,483
91+ days old				7,346,246	7,346,246
Total Accounts Receivable	-	-	11,483	7,346,246	7,357,728
Less Bad Debt Allowance & Accrued Advertising Allowance (includes \$30 variance)**	-	-	-	(6,419,541)	(6,419,541)
Net Accounts Receivable (Exclusive of Debit Balances & Inclusive of Credit Balances)	-	-	11,483	926,704	938,187
Plus Credit Balances in AR Aging	-	-	-	(23,252)	(23,252)
Plus Debit Balances in AP Aging	-	-	-	-	-
Net Accounts Receivable (Inclusive of Debit Balances and Exclusive of Credit Balances)	-	-	11,483	903,452	914,935

\*\*This is a general reserve recorded for financial statement reporting purposes, according to GAAP (Generally Accepted Accounting Principles). It is not a write-off.

### TAXES RECONCILIATION AND AGING

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old					
31 - 60 days old					
61 - 90 days old					
91+ days old					
Total Taxes Payable					
Total Accounts Payable					

**PAYMENTS TO INSIDERS AND PROFESSIONALS**

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS				
NAME	TYPE OF PAYMENT	AMOUNT PAID IN CURRENT PERIOD	DATE PAID	TOTAL PAID TO DATE
Mihir Bhansali	Reimbursement for Marketing Expense Paid			\$ 10,500.00
Mihir Bhansali	Reimbursement for Cell Phone Fee Paid			\$ 190.99
Mihir Bhansali	Net Payroll			\$ 12,736.81
Ajay Gandhi	Reimbursement for Telephone Expense Paid			\$ 300.00
Ajay Gandhi	Net Payroll			\$ 36,948.36
RSR Consulting	Director's Fee			\$ 47,220.00
TOTAL PAYMENTS TO INSIDERS		\$ -		\$ 107,896.16

PROFESSIONALS							
NAME	APPLICABLE FEE PERIOD	AMOUNT OF MONTHLY FEE STATEMENT	AMOUNT APPROVED	AMOUNT PAID IN CURRENT MONTH	AMOUNT PAID IN PRIOR PERIODS	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
Getzler Henrich & Associates , LLC	February 26, 2018 - March 31, 2018	95,498	95,498	-	95,498	95,498	-
Getzler Henrich & Associates , LLC	April 1, 2018 - April 30, 2018	73,256	73,256	-	73,256	168,754	-
Getzler Henrich & Associates , LLC	May 1, 2018 - May 31, 2018	104,230	104,230	-	104,230	272,984	-
Getzler Henrich & Associates , LLC	June 1, 2018 - June 30, 2018	81,578	81,578	-	81,578	354,562	-
Getzler Henrich & Associates , LLC	July 1, 2018 - August 4, 2018	116,280	116,280	-	116,280	470,842	-
Getzler Henrich & Associates , LLC	August 5, 2018 - September 1, 2018	80,898	80,898	-	80,578	551,420	320
Getzler Henrich & Associates , LLC	September 2, 2018 - September 30, 2018	71,090	71,090	-	71,161	622,581	248
Getzler Henrich & Associates , LLC	October 1, 2018 - October 27, 2018	48,493	48,493	-	48,559	671,140	182
Getzler Henrich & Associates , LLC	October 28, 2018 - December 1, 2018	28,328	28,328	-	28,403	699,543	107
Getzler Henrich & Associates , LLC	December 1, 2018 - December 31, 2018	16,444	16,444	-	-	699,543	16,551
Getzler Henrich & Associates , LLC - Accrued	January 1, 2019 - January 31, 2019	16,000	-	-	-	699,543	32,551
Getzler Henrich & Associates , LLC - Accrued	February 1, 2019 - February 28, 2019	5,000	-	-	-	699,543	37,551
Getzler Henrich & Associates , LLC - Accrued	March 1, 2019 - March 31, 2019	2,000	-	-	-	699,543	39,551
Klestadt Winters Jureller Southard & Stevens LLP	February 26, 2018 - March 31, 2018	343,770	275,298	-	-	-	343,770
Klestadt Winters Jureller Southard & Stevens LLP	April 1, 2018 - April 30, 2018	166,497	133,589	-	408,917	408,917	101,350
Klestadt Winters Jureller Southard & Stevens LLP	May 1, 2018 - May 31, 2018	166,543	133,985	-	133,985	542,902	133,908
Klestadt Winters Jureller Southard & Stevens LLP	June 1, 2018 - June 14, 2018	50,294	-	-	40,504	583,406	143,698
Forchelli Deegan Terrana LLP	February 26, 2018 - March 31, 2018	14,593	11,674	-	-	-	14,593
Forchelli Deegan Terrana LLP	April 1, 2018 - April 30, 2018	3,569	2,855	-	14,529	14,529	3,632
Forchelli Deegan Terrana LLP	May 1, 2018 - May 31, 2018	4,095	3,276	-	-	14,529	7,727
Forchelli Deegan Terrana LLP	June 1, 2018 - June 3, 2018	1,107	936	-	4,246	18,775	4,588
Lackenbach Siegel, LLP	February 26, 2018 - March 31, 2018	23,855	19,168	-	19,168	-	4,688
Lackenbach Siegel, LLP	April 1, 2018 - April 30, 2018	15,173	12,977	-	-	-	19,860
Lackenbach Siegel, LLP	May 1, 2018 - May 31, 2018	20,740	17,008	-	29,975	29,975	10,626
Lackenbach Siegel, LLP	June 1, 2018 - June 14, 2018	4,954	3,963	-	3,963	33,938	11,616
Lackenbach Siegel, LLP	June 15, 2018 - July 31, 2018	19,156	15,325	-	-	33,938	30,772
Lackenbach Siegel, LLP	August 1, 2018 - August 31, 2018	32,619	26,674	-	39,960	73,898	23,432
Lackenbach Siegel, LLP	September 1, 2018 - November 30, 2018	22,442	18,119	-	18,119	92,017	27,754
Lackenbach Siegel, LLP	December 1, 2018 - December 31, 2018	7,770	6,568	-	-	92,017	35,524
Lackenbach Siegel, LLP	January 1, 2019 - January 31, 2019	3,217	2,730	-	9,298	101,315	29,443
Lackenbach Siegel, LLP	February 1, 2019 - March 31, 2019	10,199	9,403	-	21,393	122,708	18,249
Lackenbach Siegel, LLP	April 1, 2019 - April 30, 2019	8,937	7,988	-	-	122,708	27,186
Lackenbach Siegel, LLP - Accrued	May 1, 2019 - May 31, 2019	10,000	-	-	-	122,708	37,186
Marks Paneth LLP	February 26, 2018 - March 31, 2018	180,214	144,171	-	-	-	180,214
Marks Paneth LLP	April 1, 2018 - April 30, 2018	87,345	69,876	-	214,047	214,047	53,512
Marks Paneth LLP	May 1, 2018 - May 31, 2018	87,086	69,668	-	69,668	283,715	70,929
Marks Paneth LLP	June 1, 2018 - June 30, 2018	127,955	44,122	-	44,122	327,837	154,762
Baker Hostetler LLP (examiner)	April 1, 2018 - April 30, 2018	4,484	3,587	-	3,587	3,587	897
Baker Hostetler LLP (examiner)	May 1, 2018 - May 31, 2018	14,160	11,328	-	11,328	14,915	3,729
Baker Hostetler LLP (examiner)	June 1, 2018 - June 30, 2018	5,517	4,413	-	4,413	19,328	4,832
Baker Hostetler LLP (examiner)	July 1, 2018 - July 31, 2018	6,136	4,909	-	4,909	24,237	6,059
Baker Hostetler LLP (examiner)	August 1, 2018 - August 31, 2018	27,052	21,641	-	21,641	45,878	11,470
Baker Hostetler LLP (examiner)	September 1, 2018 - September 30, 2018	3,294	2,645	-	8,704	54,583	6,059

### PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS				
NAME	TYPE OF PAYMENT	AMOUNT PAID IN CURRENT PERIOD	DATE PAID	TOTAL PAID TO DATE
Mihir Bhansali	Reimbursement for Marketing Expense Paid			\$ 10,500.00
Mihir Bhansali	Reimbursement for Cell Phone Fee Paid			\$ 190.99
Mihir Bhansali	Net Payroll			\$ 12,736.81
Ajay Gandhi	Reimbursement for Telephone Expense Paid			\$ 300.00
Ajay Gandhi	Net Payroll			\$ 36,948.36
RSR Consulting	Director's Fee			\$ 47,220.00
TOTAL PAYMENTS TO INSIDERS		\$ -		\$ 107,896.16

PROFESSIONALS							
NAME	APPLICABLE FEE PERIOD	AMOUNT OF MONTHLY FEE STATEMENT	AMOUNT APPROVED	AMOUNT PAID IN CURRENT MONTH	AMOUNT PAID IN PRIOR PERIODS	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
Baker Hostetler LLP (attorney for examiner)	April 1, 2018 - April 30, 2018	34,823	27,863	-	27,863	27,863	6,960
Baker Hostetler LLP (attorney for examiner)	May 1, 2018 - May 31, 2018	121,921	97,720	-	32,131	59,995	96,749
Baker Hostetler LLP (attorney for examiner)	June 1, 2018 - June 30, 2018	127,747	104,019	-	44,087	104,082	180,410
Baker Hostetler LLP (attorney for examiner)	July 1, 2018 - July 31, 2018	126,553	102,865	-	40,038	144,120	266,925
Baker Hostetler LLP (attorney for examiner)	August 1, 2018 - August 31, 2018	272,096	219,598	-	-	144,120	539,021
Baker Hostetler LLP (attorney for examiner)	September 1, 2018 - September 30, 2018	17,715	15,481	-	423,141	567,261	133,595
Baker Hostetler LLP (attorney for examiner)	October 1, 2018 - October 31, 2018	14,314	11,461	-	139,541	706,802	8,368
Baker Hostetler LLP (attorney for examiner)	October 1, 2018 - December 31, 2018	3,953	3,162	-	-	706,802	12,321
Baker Hostetler LLP (attorney for examiner)	January 1, 2019 - March 31, 2019	2,744	2,208	4,416	-	711,218	10,649
Baker Hostetler LLP (attorney for examiner)	April 1, 2019 - April 30, 2019	1,627	1,302	-	-	711,218	12,276
Alvarez & Marsal (FA for examiner)	April 19, 2018 - May 31, 2018	90,234	72,986	-	46,541	46,541	43,693
Alvarez & Marsal (FA for examiner)	June 1, 2018 - June 30, 2018	149,735	120,209	-	41,500	88,040	151,928
Alvarez & Marsal (FA for examiner)	July 1, 2018 - July 31, 2018	130,925	105,383	-	40,053	128,093	242,800
Alvarez & Marsal (FA for examiner)	August 1, 2018 - August 31, 2018	124,157	99,378	-	318,410	446,504	48,547
Jenner & Block LLP (Trustee)	June 14, 2018 - July 31, 2018	191,586	153,772	-	154,046	154,046	37,540
Jenner & Block LLP (Trustee)	August 1, 2018 - August 31, 2018	113,573	91,388	-	91,388	245,434	59,725
Jenner & Block LLP (Trustee)	September 1, 2018 - September 30, 2018	102,882	82,305	-	82,379	327,814	80,228
Jenner & Block LLP (Trustee)	October 1, 2018 - October 31, 2018	105,943	85,322	-	85,322	413,136	100,848
Jenner & Block LLP (Trustee)	November 1, 2018 - November 30, 2018	61,278	49,247	-	49,247	462,383	112,879
Jenner & Block LLP (Trustee)	December 1, 2018 - December 31, 2018	90,137	72,521	-	72,521	534,904	130,495
Jenner & Block LLP (Trustee)	January 1, 2019 - January 31, 2019	127,126	101,916	-	101,916	636,820	155,704
Jenner & Block LLP (Trustee)	February 1, 2019 - February 28, 2019	110,418	88,509	-	110,418	747,239	155,704
Jenner & Block LLP (Trustee)	March 1, 2019 - March 31, 2019	257,001	206,016	206,016	-	953,255	206,690
Jenner & Block LLP (Trustee)	April 1, 2019 - April 30, 2019	237,935	191,205	-	-	953,255	444,625
Jenner & Block LLP (Trustee) - Accrued	May 1, 2019 - May 31, 2019	200,000	-	-	-	953,255	644,625
Chapter 11 Trustee	June 14, 2018 - July 31, 2018	379,967	303,974	-	303,974	303,974	75,993
Chapter 11 Trustee	November 1, 2018 - November 30, 2018	189,219	-	-	-	303,974	265,212
Chapter 11 Trustee	December 1, 2018 - December 31, 2018	32,618	-	-	-	303,974	297,831
Chapter 11 Trustee	January 1, 2019 - January 31, 2019	6,041	-	-	-	303,974	303,872
Chapter 11 Trustee	February 1, 2019 - February 28, 2019	7,540	-	-	-	303,974	311,412
Chapter 11 Trustee	March 1, 2019 - March 31, 2019	5,419	-	-	-	303,974	316,831
Chapter 11 Trustee	April 1, 2019 - April 30, 2019	6,862	-	-	-	303,974	323,692
Chapter 11 Trustee	May 1, 2019 - May 31, 2019	11,518	-	-	-	303,974	335,211
Alvarez & Marsal (FA for Trustee)	June 1, 2018 - June 30, 2018	12,000	9,600	-	-	-	12,000
Alvarez & Marsal (FA for Trustee)	July 1, 2018 - July 31, 2018	17,207	13,771	-	23,371	23,371	5,836
Alvarez & Marsal (FA for Trustee)	August 1, 2018 - August 31, 2018	44,263	35,411	-	35,411	58,782	14,689
Alvarez & Marsal (FA for Trustee)	September 1, 2018 - September 30, 2018	139,726	111,873	-	111,873	170,655	42,542
Alvarez & Marsal (FA for Trustee)	October 1, 2018 - October 31, 2018	147,162	117,927	-	117,927	288,582	71,777
Alvarez & Marsal (FA for Trustee)	November 1, 2018 - November 30, 2018	71,960	57,591	-	57,591	346,173	86,146
Alvarez & Marsal (FA for Trustee)	December 1, 2018 - December 31, 2018	76,658	61,347	-	122,624	468,797	40,179
Alvarez & Marsal (FA for Trustee)	January 1, 2019 - January 31, 2019	63,437	50,820	-	-	468,797	103,616
Alvarez & Marsal (FA for Trustee)	February 1, 2019 - February 28, 2019	54,592	43,928	-	32,280	501,077	125,928
Alvarez & Marsal (FA for Trustee)	March 1, 2019 - March 31, 2019	126,521	101,814	101,814	-	602,891	150,635
Alvarez & Marsal (FA for Trustee)	April 1, 2019 - April 30, 2019	157,319	126,106	-	-	602,891	307,953
Alvarez & Marsal (FA for Trustee) - Accrued	May 1, 2019 - May 31, 2019	100,000	-	-	-	602,891	407,953

**PAYMENTS TO INSIDERS AND PROFESSIONALS**

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS				
NAME	TYPE OF PAYMENT	AMOUNT PAID IN CURRENT PERIOD	DATE PAID	TOTAL PAID TO DATE
Mihir Bhansali	Reimbursement for Marketing Expense Paid			\$ 10,500.00
Mihir Bhansali	Reimbursement for Cell Phone Fee Paid			\$ 190.99
Mihir Bhansali	Net Payroll			\$ 12,736.81
Ajay Gandhi	Reimbursement for Telephone Expense Paid			\$ 300.00
Ajay Gandhi	Net Payroll			\$ 36,948.36
RSR Consulting	Director's Fee			\$ 47,220.00
TOTAL PAYMENTS TO INSIDERS		\$ -		\$ 107,896.16

PROFESSIONALS							
NAME	APPLICABLE FEE PERIOD	AMOUNT OF MONTHLY FEE STATEMENT	AMOUNT APPROVED	AMOUNT PAID IN CURRENT MONTH	AMOUNT PAID IN PRIOR PERIODS	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
Gem Certification & Assurance Lab, Inc.	August 1, 2018 - August 31, 2018	44,188	35,350	-	35,350	35,350	8,838
Gem Certification & Assurance Lab, Inc.	September 1, 2018 - September 30, 2018	73,050	58,440	-	58,440	93,790	23,448
Gem Certification & Assurance Lab, Inc.	October 1, 2018 - October 31, 2018	29,313	23,450	-	23,450	117,240	29,310
Gem Certification & Assurance Lab, Inc.	November 1, 2018 - November 30, 2018	24,363	19,490	-	19,490	136,730	34,183
Gem Certification & Assurance Lab, Inc.	December 1, 2018 - December 31, 2018	36,375	29,100	-	29,100	165,830	41,458
Gem Certification & Assurance Lab, Inc.	January 1, 2019 - January 31, 2019	39,038	31,230	-	31,230	197,060	49,265
Gem Certification & Assurance Lab, Inc.	February 1, 2019 - February 28, 2019	32,425	25,940	-	25,940	223,000	55,750
Gem Certification & Assurance Lab, Inc.	March 1, 2019 - March 31, 2019	30,238	24,190	24,190	-	247,190	61,798
Gem Certification & Assurance Lab, Inc. - Accrued	April 1, 2019 - April 30, 2019	41,963	33,570	-	-	247,190	103,760
Gem Certification & Assurance Lab, Inc. - Accrued	April 1, 2019 - April 30, 2019	30,000	-	-	-	247,190	133,760
Whitley Penn, LLP	November 14, 2018 - January 31, 2019	36,518	29,248	29,248	-	29,248	7,270
Whitley Penn, LLP - Accrued	February 1, 2018 - April 30, 2019	35,000	-	-	-	29,248	42,270
Frankfurt Kurmit Klein & Selz, P.C.	March 31, 2019 - April 30, 2019	2,754	2,203	-	-	-	2,754
Michael J. Agusta, Esq. as Counsel	August 13, 2018 - January 31, 2019	6,538	-	-	-	-	6,538
Michael J. Agusta, Esq. as Counsel - Accrued	February 1, 2018 - April 30, 2019	6,000	-	-	-	-	12,538
TOTAL PAYMENTS TO PROFESSIONALS		7,146,076	5,246,203	365,684	4,754,615	5,101,131	2,025,778

\* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED, PER THE MONTHLY FEE STATEMENT FILED.

**POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE  
 AND ADEQUATE PROTECTION PAYMENTS**

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
TOTAL PAYMENTS		-	-

In re Firestar Diamond Inc & Fantasy Inc (Combined)

Case No. 18-10509 (SHL) / 18-10511 (SHL)

Debtor

Reporting Period: 5/1/19 - 5/31/19

### DEBTOR QUESTIONNAIRE

<b>Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.</b>		<b>Yes</b>	<b>No</b>
1	Have any assets been sold or transferred outside the normal course of business this reporting period?	X	
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		X
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?		X
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		X
5	Is the Debtor delinquent in paying any insurance premium payment?		X
6	Have any payments been made on pre-petition liabilities this reporting period?		X
7	Are any post petition receivables (accounts, notes or loans) due from related parties? **	X	
8	Are any post petition payroll taxes past due?		X
9	Are any post petition State or Federal income taxes past due?		X
10	Are any post petition real estate taxes past due?		X
11	Are any other post petition taxes past due?		X
12	Have any pre-petition taxes been paid during this reporting period?		X
13	Are any amounts owed to post petition creditors delinquent?		X
14	Are any wage payments past due?		X
15	Have any post petition loans been received by the Debtor from any party?		X
16	Is the Debtor delinquent in paying any U.S. Trustee fees?		X
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		X
18	Have the owners or shareholders received any compensation outside of the normal course of business?		X

\* Private sales resulted in the sale of inventory for \$110,000 during the period.

\*\* Operating Expenses from Old AJ, Inc.

**Firestar Diamond, Inc.**

**Cash Register**

**5/1/19 - 5/31/19**

**Firestar Diamond Inc. Detail Trial Balance**

Includes Activities from May 1, 2019 to May 31, 2019

**Firestar United Bank Account (9796)**

Posting Date	Description	Debit Activities	Credit Activities	Balance
	<b>Beginning Balance</b>			<b>1,093,947.13</b>
5/1/2019	Zale Corporation	2,795.60		
5/1/2019	Zale Corporation	14,821.27		
5/8/2019	WhitleyPenn LLP		(29,247.60)	
5/8/2019	Baker & Hostetler LLP		(4,415.69)	
5/8/2019	Jenner & Block LLP		(206,015.78)	
5/14/2019	Fidelity Investments Institutional Operations		(1,753.57)	
5/14/2019	Gem Certification and Assurance Lab, LLC		(24,190.00)	
5/14/2019	Alvarez & Marsal Global Disputes & Investigations		(101,814.45)	
5/15/2019	Sterling Jewelers	225,419.91		
5/16/2019	vDiscovery		(9,246.75)	
5/21/2019	FedEx	40,035.55		
5/21/2019	Martin V. Marten Spirit Lake Jewelers	110,000.00		
5/21/2019	Amipi, Inc.	48,850.00		
5/21/2019	U.S. Treasury	15,721.56		
5/21/2019	U.S. Treasury	3,556.51		
5/21/2019	U.S. Treasury	2,232.62		
5/21/2019	U.S. Treasury	7,602.44		
5/21/2019	U.S. Treasury	1,589.03		
5/21/2019	U.S. Treasury	12,660.73		
5/21/2019	U.S. Treasury	5,039.97		
5/21/2019	U.S. Treasury	4,696.68		
5/21/2019	U.S. Treasury	4,635.65		
5/21/2019	U.S. Treasury	11,096.65		
5/21/2019	U.S. Treasury	17,735.40		
5/21/2019	U.S. Treasury	2,791.35		
5/21/2019	U.S. Treasury	18,312.73		
5/21/2019	U.S. Treasury	2,892.61		
5/21/2019	U.S. Treasury	4,715.67		
5/21/2019	U.S. Treasury	16,036.90		
5/21/2019	U.S. Treasury	4,292.47		
5/21/2019	U.S. Treasury	5,076.65		
5/21/2019	U.S. Treasury	7,451.11		
5/21/2019	U.S. Treasury	1,362.77		
5/21/2019	U.S. Treasury	9,341.24		
5/21/2019	U.S. Treasury	16,848.95		
5/21/2019	U.S. Treasury	13,335.12		
5/21/2019	JM Insurance Services, LLC		(3,120.00)	
5/22/2019	Iron Mountain		(803.86)	
5/28/2019	Real Gems Corporation	2,250.00		
5/29/2019	U.S. Treasury	14,738.04		
5/29/2019	U.S. Treasury	5,368.08		
5/29/2019	U.S. Treasury	2,465.02		
5/29/2019	U.S. Treasury	7,760.48		
5/29/2019	U.S. Treasury	2,893.84		
5/29/2019	U.S. Treasury	3,001.92		
5/29/2019	Staples, Inc.	15,416.68		
5/30/2019	Levon Dursunian		(3,335.00)	
	<b>Ending Balance</b>	<b>684,841.20</b>	<b>(383,942.70)</b>	<b>1,394,845.63</b>

<b>January 2019 Total</b>	<b>Amount</b>
A/R Collections (Pre Petition)	-
A/R Collections (Post Petition)	225,419.91
Memo Sales (Post Petition)	17,616.87
Receipt from A. Jaffe (Affiliate) for shared expenses	-
Miscellaneous Deposits	329,554.42
Sale of Assets	112,250.00
Royalties (Receipts)	-
V Discovery (Restructuring Costs)	9,246.75
Claims Agent Reorg	-
US Trustee	-
Jenner/Trustee (Professional Fees)	206,015.78
Financial Advisors (MP and A&M) (Professional Fees)	101,814.45
Whitley Penn (Professional Fees)	29,247.60
Baker & Hostetler (Professional Fees)	4,415.69
Lackenbach Siegel LLP (Professional Fees)	-
Special Counsel for IP Matters (Professional Fees)	-
CRO (Professional Fees)	-
GCAL (Professional Fees)	24,190.00
Transfers to DIP Accounts	-
Transfers from DIP Accounts	-
Contractor (Operations)	3,335.00
Appraisals (Operations)	-
Royalties (Operations)	-
Freight In (Operations)	-
Other Cost of Sales (Operations)	-
Security Expenses (Operations)	-
Office Expenses/Bank Charges (Administrative)	803.86
Investing Activities	-
Net Payroll (Includes Employee's Taxes)	-
Sales, Use, & Other Taxes	-
Employee Benefits	1,753.57
Insurance (Worker's Comp, Jeweler's Block & Other)	3,120.00
Telephone Expenses	-
<b>Total GL Account Movement (Debits + Credits)</b>	<b>1,068,783.90</b>

**Fantasy Inc.**  
**Cash Register**  
**5/1/19 - 5/31/19**

**Detail Trial Balance**

Includes Activities from May 1, 2019 to May 31, 2019  
Fantasy, Inc.

**United Bank Account #9842**

Posting Date	Desc.	Debit	Credit	Balance
	<b>Beginning Balance</b>			467,210

Amount	Description
-	Transfer to Other DIP Accounts
-	Transfer From Other DIP Accounts
-	US Trustee Fees
-	Professional Fees
-	Memo Sales (Post Petition)
-	Sale of Assets
-	Treasury Bill

Total Activities	-	-	-
<b>Ending Balance</b>			467,210

Report Total Beginning Balance . .			467,210
Report Total Activities	-	-	-
Report Total Ending Balance . . .			467,210



FOR THE PERIOD (5/1/19 - 5/31/19)

	<u>5/1/2019 - 5/31/2019</u>
<b>SALES</b>	
Sales - Regular	63,400
Sales - Memo Reporting	17,617
	<u>81,017</u>
<b>COST OF GOODS SOLD</b>	
COGS - Regular	265,302
COGS - Memo Reporting	1,310
Labor & Repairs	3,335
	<u>269,947</u>
<b>GROSS PROFIT</b>	<u>(188,930)</u>
<b>NET SALES</b>	<b>81,017</b>
<b>COGS - NET SALES</b>	<b>269,947</b>
<b>GROSS PROFIT NET OF RETURNS</b>	<b>(188,930)</b>
<b>OTHER INCOME</b>	
Royalty Income	-
<b>REVISED GROSS PROFIT</b>	<u>(188,930)</u>
<b>GENERAL &amp; ADMIN EXP.</b>	
Miscellaneous Exp.	(278,951)
Storage Expenses	200
Insurance - Block Policy	3,120
Legal Fees	355,899
Professional Fees - Other	10,000
Omni Management Fee	2,500
UST Accrual	4,875
	<u>97,644</u>
<b>TOTAL EXP. BEFORE INT &amp; DEP</b>	<b>97,644</b>
<b>EBIT</b>	<b>(286,574)</b>
<b>Gain due to Accrual True/Up</b>	<b>36,687</b>
<b>CORPORATE TAXES</b>	
Provision for Taxes - Other States	-
	-
<b>NET LOSS</b>	<u><u>(249,887)</u></u>

**FANTASY, INC.**  
**INCOME STATEMENT**  
**FOR THE PERIOD (5/1/19 - 5/31/19)**

	<b>5/1/2019 - 5/31/2019</b>
<b>SALES</b>	
Sales - Regular	-
Sales - Memo Reporting	-
	-
<b>COST OF GOODS SOLD</b>	
COGS - Regular	-
COGS - Memo Reporting	-
Shipping Exp / Freight	-
	-
<b>GROSS PROFIT</b>	-
Returns - Regular	-
COGS - Regular / Returns	-
<b>NET SALES</b>	-
<b>COGS - NET SALES</b>	-
<b>GROSS PROFIT NET OF RETURNS</b>	-
<b>REVISED GROSS PROFIT</b>	-
<b>EBIT</b>	-
Gain due to Accrual and Intercompany Liability True/Up	-
<b>NET LOSS BEFORE TAXES</b>	-
<b>NET LOSS</b>	-

	5/1/2019 - 5/31/2019	May Groupings	
<b>SALES</b>			
Sales - Regular	63,400	81,017	Gross Sales
Sales - Memo Reporting	17,617	-	Returns and Allowances
Sales - Assets	-	<b>81,017</b>	Net Sales
Sales - Diamonds	-	4,874,803	Beginning Inventory
	<b>81,017</b>	-	Purchases
		<b>3,335</b>	Direct Labor
<b>COST OF GOODS SOLD</b>		-	Writeoff of Inventory
COGS - Regular	265,302	-	Appraisal Fees
COGS - Memo Reporting	1,310	-	Freight In
COGS - Closeouts	-	-	Other Cost of Sales/Adjustments
COGS - Diamonds	-	(4,608,191)	Ending Inventory
Royalty Expenses	-	<b>269,947</b>	Cost of Goods Sold
Advertising Co-Op.	-		
Markdowns & Allowances	-	<b>(188,930)</b>	Gross Profit
Chargeback Write-Off	-		
Appraisal Fees	-	-	Royalty Income
Shipping Exp	-	-	
EDI Services	-	-	Shipping Expense
Vendor Portal Charges	-	-	Royalty Expenses
Outside Labor	-	-	Selling Expense
Repairs	3,335	-	Office Salaries
Other	-		
	<b>269,947</b>	355,899	Professional Fees
<b>GROSS PROFIT</b>	<b>(188,930)</b>	-	Depreciation and Amortization
		-	Rent
Returns - Regular	-	-	Computer Expenses
	-	-	Back Office Expense
		-	Vault Monitors
		-	Payroll Taxes
COGS - Regular / Returns	-	-	Employee Benefits
	-	3,120	Insurance
		(278,751)	Office Expenses
		-	Telephone Expenses
<b>NET SALES</b>	<b>81,017</b>	<b>80,269</b>	G&A
<b>COGS - NET SALES</b>	<b>269,947</b>		
		-	Bank Charges
<b>GROSS PROFIT NET OF RETURNS</b>	<b>(188,930)</b>	-	Interest Expense
		-	Bank Attorney Fees
		<b>2,500</b>	Omni Management Fee
<b>OTHER DILUTION ITEMS</b>		-	Director Fee
		-	CRO
Dilution On Returns / Melt Loss	-	<b>4,875</b>	US Trustee
<b>OTHER INCOME</b>		<b>10,000</b>	V Discovery
Royalty Income	-	<b>(36,687)</b>	Gain due to Accrual True Up
<b>REVISED GROSS PROFIT</b>	<b>(188,930)</b>		
		<b>(249,887)</b>	Net Loss

	5/1/2019 - 5/31/2019	May Groupings
<b>GENERAL &amp; ADMIN EXP.</b>		
Miscellaneous Exp.	(278,951)	
Storage Expenses	200	
Insurance - Block Policy	3,120	
Security Exp	-	
Legal Fees	355,899	
Professional Fees - Other	10,000	
Omni Management Fee	2,500	
UST Accrual	4,875	
License & Fees	-	
	<u>97,644</u>	
Gain due to Accrual True/Up	(36,687)	
<b>TOTAL EXP. BEFORE INT &amp; DEP</b>	<u>60,957</u>	
<b>EBIT</b>	<u>(249,887)</u>	
<b>NET LOSS BEFORE TAXES</b>	(249,887)	
<b>CORPORATE TAXES</b>		
Provision for Taxes - Other States	-	
	<u>-</u>	
<b>NET LOSS</b>	<u>(249,887)</u>	

**FIRESTAR DIAMOND, INC.**

**BALANCE SHEET (INCLUDES INTERCOMPANY BALANCE WITH FANTASY INC)  
FOR THE PERIOD (5/1/19 - 5/31/19)**

	<u>5/31/2019</u>
<b>CURRENT ASSETS</b>	
Cash - United Bank Account	1,345,996
Restricted Cash - Due to Escrow Account	48,850
Accounts Receivables	9,495,023
Accounts Receivables in Escrow	-
Allowance for Bad Debts	(6,419,541)
	<u>4,470,327</u>
<b>OTHER ASSETS</b>	
Due from FGI - CP	(59,593)
Loans & Exchanges	2,335,132
Investment in Subsidiary	250,000
	<u>2,525,539</u>
<b>INVENTORY</b>	
Inventory - Finished Goods	2,605,826
Inventory - Memo Consignment	1,288,813
	<u>3,894,640</u>
<b>TOTAL ASSETS</b>	<b>10,890,506</b>
<b>CURRENT LIABILITIES</b>	
Accounts Payable	29,533,785
Due to Escrow Account	48,850
Accrued Professional Fees	2,025,778
	<u>31,608,414</u>
<b>LOANS PAYABLE</b>	
Sub-Debt - Synergies Corp.	7,941,500
Sub-Debt - Firestar Holdings Ltd - HK	4,058,500
	<u>12,000,000</u>
<b>CAPITAL ACCOUNT</b>	
Common Stock	110
Paid In Capital	4,705,790
Retained Earnings	(37,173,921)
Net Income / (Loss)	(249,887)
	<u>(32,717,907)</u>
<b>TOTAL LIABILITIES &amp; RETAINED EARNINGS</b>	<b>10,890,506</b>

**FANTASY, INC.**  
**BALANCE SHEET (INCLUDES INTERCOMPANY**  
**BALANCE WITH FIRESTAR DIAMOND INC)**  
**FOR THE PERIOD (5/1/19 - 5/31/19)**

	<u>5/31/2019</u>
<b>CURRENT ASSETS</b>	
Cash In Bank	467,210
Cash Equivalents - US Treasury Bill	4,969,667
Accounts Receivables	362,705
	<u><b>5,799,581</b></u>
<b>INVENTORY</b>	
Inventory - Finished Goods	594,915
Inventory - Memo Consignment	118,636
	<u><b>713,551</b></u>
<b>TOTAL ASSETS</b>	<u><b>6,513,132</b></u>
<b>CURRENT LIABILITIES</b>	
Accounts Payable	4,935,733
	<u><b>4,935,733</b></u>
<b>CAPITAL ACCOUNT</b>	
Common Stock	100
Paid In Capital	249,900
Retained Earnings	1,327,400
Net Income / (Loss)	-
	<u><b>1,577,400</b></u>
<b>TOTAL LIABILITIES &amp; RETAINED EARNINGS</b>	<b>6,513,133</b>

	5/31/2019	INTERCOMPANY ELIMINATIONS	CONSOLIDATED 5/31/2019	Groupings	
<b>CURRENT ASSETS</b>					
Cash - United Bank Account	1,813,205		1,813,205	1,813,205	Cash
Restricted Cash - Due to Escrow Account	48,850		48,850	48,850	Restricted Cash
Cash Equivalents - US Treasury Bill	4,969,667		4,969,667	4,969,667	U.S. Treasury 90-Day T-Bill
Accounts Receivables	9,857,728	(2,374,344)	7,483,384	1,063,843	A/R
Allowance for Bad Debts	(6,419,541)		(6,419,541)		
	<b>10,269,909</b>		<b>7,895,565</b>	<b>7,895,565</b>	<b>Total Current Assets</b>
<b>OTHER ASSETS</b>					
Due from FGI - CP (Related Party)	(59,593)		(59,593)	<b>2,275,539</b>	Amount due from Insiders
Loans & Exchanges (Related Parties)	2,335,132		2,335,132		
Investment in Subsidiary	250,000	(250,000)	-	-	Other Assets
	<b>2,525,539</b>		<b>2,275,539</b>		
<b>INVENTORY</b>					
Inventory - Finished Goods	3,200,741		3,200,741		
Inventory - Memo Consignment	1,407,449		1,407,449		
	<b>4,608,191</b>		<b>4,608,191</b>	<b>4,608,191</b>	Inventory
<b>TOTAL ASSETS</b>	<b>17,403,639</b>	<b>(2,624,344)</b>	<b>14,779,295</b>	<b>14,779,295</b>	<b>Total Assets</b>
<b>CURRENT LIABILITIES</b>					
Accounts Payable	34,469,518	(2,374,344)	32,095,174	<b>48,850</b>	Due to Escrow Account
Due to Escrow Account	48,850		48,850		
Accrued Professional Fees	2,025,778		2,025,778	<b>2,025,778</b>	Post Petition Accrued Professional Fees
	<b>36,544,146</b>		<b>34,169,802</b>	<b>44,095,174</b>	Unsecured Debt
<b>LOANS PAYABLE</b>					
Sub-Debt - Synergies Corp.	7,941,500		7,941,500		
Sub-Debt - Firestar Holdings Ltd - HK	4,058,500		4,058,500		
	<b>12,000,000</b>		<b>12,000,000</b>		
<b>CAPITAL ACCOUNT</b>					
Common Stock	210	(100)	110	<b>110</b>	Capital Stock
Paid In Capital	4,955,690	(249,900)	4,705,790	<b>4,705,790</b>	Additional Paid In Capital
Retained Earnings	(35,846,521)		(35,846,521)	<b>(36,096,407)</b>	Retained Earnings
Net Income / (Loss)	(249,887)		(249,887)		
	<b>(31,140,507)</b>	<b>(250,000)</b>	<b>(31,390,507)</b>		
<b>TOTAL LIABILITIES &amp; RETAINED EARNINGS</b>	<b>17,403,639</b>	<b>(2,624,344)</b>	<b>14,779,295</b>	<b>14,779,295</b>	<b>Total Liabilities and Retained Earnings</b>

Firestar Diamond Inc / Fantasy Inc

Consolidated Post-Petition A/P

As of 5/31/19

By Vendor

Firestar Diamond, Inc.

Vendor	Balance Due	Current	Up to 30 Days	31-60 Days	Over 60 Days
Omni Management - Accrued	5,000	2,500	2,500	-	-
V Discovery - Accrued	10,000	10,000		-	-
Cost Reduction Solutions	4,375	-	-	-	4,375
Iron Mountain Storage Fees - Accrued	200	200	-	-	-
Totals	19,575	12,700	2,500	-	4,375

Fantasy, Inc.

Vendor	Balance Due	Current	Up to 30 Days	31-60 Days	Over 60 Days
Totals	-	-	-	-	-
Combined Totals	19,575	12,700	2,500	-	4,375



unitedbank

PO Box 9020, 95 Elm Street  
West Springfield, MA 01090-9020  
866-959-BANK (2265)  
www.bankatunited.com

Date 5/31/19

Page

1

Richard Levi n  
Jenner & Block LLP  
919 Third Ave.  
New York NY 10022

**Questions:**

(800) 634-7734

[Banking@BMSAdvantage.com](mailto:Banking@BMSAdvantage.com)

[BMSAdvantage.com](http://BMSAdvantage.com)

Case Number: 18-10509  
Case Name: Firestar Diamond Inc.  
Debtor  
Trustee Number: 520258  
Trustee Name: Richard Levi n  
Trustee

Once a check is deposited into your account, you should wait 7 business days to see if it is returned before writing checks against the deposit. Returned deposit items (RDI's) may occur due to non-sufficient funds or stop payments at the payor's bank. If you have a deposit returned, you will be notified immediately by email and sent a notice through regular mail. If you receive an RDI notice, immediately place stops on any checks on that deposit and arrange for a replacement deposit.

## SUMMARY OF ACCOUNTS

ACCOUNT NUMBER	TYPE OF ACCOUNT	ENDING BALANCE
XXXXXXXXXXXX9796	CHECKING	1,402,449.63
XXXXXXXXXXXX4617	CHECKING	2,263,756.84
XXXXXXXXXXXX4625	CHECKING	.00
XXXXXXXXXXXX4633	CHECKING	.00

..... CHECKING/MMA ACCOUNT.....

ACCOUNT TITLE: Richard Levi n

CHECKING	XXXXXXXXXXXX9796	ENCLOSURES	3
ACCOUNT NUMBER	XXXXXXXXXXXX9796	Statement Dates	5/01/19 thru 6/02/19
PREVIOUS BALANCE	1,097,851.26	DAYS IN STATEMENT PERIOD	33
8 DEPOSITS	684,841.20	AVERAGE BALANCE	1,118,207.76
11 DEBITS	380,242.83	AVERAGE COLLECTED	1,118,207.76
SERVICE CHARGE	.00		
INTEREST PAID	.00		
NEW BALANCE	1,402,449.63		

## ACTIVITY IN DATE ORDER

DATE	DESCRIPTION	AMOUNT	BALANCE
5/01	PAYABLES	2,795.60	1,100,646.86
5/01	PAYABLES	14,821.27	1,115,468.13
5/02	CHECK 132	651.89-	1,114,816.24
5/07	CHECK 119	1,800.00-	1,113,016.24
5/08	WIRE TRANSFER DEBIT	4,415.69-	1,108,600.55

IF YOUR NAME OR ADDRESS IS SHOWN INCORRECTLY, PLEASE COMPLETE THE SECTION  
BELOW AND RETURN THIS SECTION TO US BY MAIL OR DELIVER TO OUR ADDRESS.

NAME

(PLEASE PRINT)

STREET  
ADDRESS

CITY

STATE

ZIP CODE

DATE

AUTHORIZED  
SIGNATURE

THIS CHANGE APPLIES TO:

☐ CHECKING ACCOUNT  
☐ INSTALLMENT LOAN

☐ SAVINGS ACCOUNT  
☐ SAVINGS CERTIFICATE

☐ MORTGAGE LOAN  
☐ OTHER

† CUT ALONG THE DOTTED LINE †

USE THIS SECTION FOR RECONCILING YOUR ACCOUNT

CHECKS OUTSTANDING				DEPOSITS NOT ON STATEMENT		BEFORE RECONCILING • DEDUCT ANY SERVICE CHARGES OR OTHER DEBIT CHARGES ON STATEMENT FROM YOUR CHECKBOOK BALANCE • ADD ANY INTEREST CREDITS OR OTHER CREDITS TO YOUR CHECKBOOK.
NUMBER	AMOUNT	NUMBER	AMOUNT			
		TOTAL FROM FIRST COLUMN				
						LAST BALANCE ON STATEMENT
						ADD DEPOSITS NOT ON STATEMENT +
						TOTAL
						DEDUCT TOTAL CHECKS OUTSTANDING
						YOUR CHECKBOOK SHOULD SHOW THIS BALANCE
TOTAL TO TOP OF NEXT COLUMN		TOTAL CHECKS OUTSTANDING			TOTAL DEPOSITS	

PLEASE CHECK CAREFULLY AND  
REPORT ANY DIFFERENCES

IN CASE OF ERRORS OR  
QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

Telephone us at (866) 959-BANK or write us at United Bank, Operations Department, PO Box 9020, 95 Elm Street, West Springfield, MA 01090-9020, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

1. Tell us your name and account number.
2. Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation.

The following pertains to accounts established for personal, family, or household purposes only.

BILLING RIGHTS SUMMARY  
IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR STATEMENT

If you think your statement is wrong, or if you need more information about a transaction on your statement, write us at United Bank, Operations Department, PO Box 9020, 95 Elm Street, West Springfield, MA 01090-9020, as soon as possible. We must hear from you no later than sixty (60) days after we sent you the first statement on which the error or problem appeared. You may telephone us, but doing so does not preserve your rights.

IN YOUR LETTER GIVE US THE FOLLOWING INFORMATION

1. Tell us your name and account number.
2. Tell us the dollar amount of the suspected error.
3. Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

PO Box 9020, 95 Elm Street  
West Springfield, MA 01090-9020  
866-959-BANK (2265)  
www.bankatunited.com

Date 5/31/19

Page

2

Richard Levin  
Jenner & Block LLP  
919 Third Ave.  
New York NY 10022

Case Number: 18-10509  
Case Name: Firestar Diamond Inc.  
Debtor  
Trustee Number: 520258  
Trustee Name: Richard Levin  
Trustee

CHECKING

XXXXXXXXXXXX9796 (Continued)

ACTIVITY IN DATE ORDER			
DATE	DESCRIPTION	AMOUNT	BALANCE
	[REDACTED]		
5/08	WIRE TRANSFER DEBIT	206,015.78-	902,584.77
	[REDACTED]		
5/08	VENDOR PMT	29,247.60-	873,337.17
5/14	WIRE TRANSFER DEBIT	1,753.57-	871,583.60
	[REDACTED]		

PO Box 9020, 95 Elm Street  
West Springfield, MA 01090-9020  
866-959-BANK (2265)  
www.bankatunited.com

Date 5/31/19

Page

3

Richard Levi n  
Jenner & Block LLP  
919 Thi rd Ave.  
New York NY 10022

Case Number: 18-10509  
Case Name: Firestar Di amond Inc.  
Debtor  
Trustee Number: 520258  
Trustee Name: Richard Levi n  
Trustee

CHECKING

XXXXXXXXXXXX9796 (Conti nued)

### ACTIVITY IN DATE ORDER

DATE	DESCRI PTION	AMOUNT	BALANCE
5/14	WIRE TRANSFER DEBIT	24,190.00-	847,393.60
5/14	WIRE TRANSFER DEBIT	101,814.45-	745,579.15
5/15	AP PAYMENT	225,419.91	970,999.06

PO Box 9020, 95 Elm Street  
West Springfield, MA 01090-9020  
866-959-BANK (2265)  
www.bankatunited.com

Date 5/31/19

Page

4

Richard Levi n  
Jenner & Block LLP  
919 Third Ave.  
New York NY 10022

Case Number: 18-10509  
Case Name: Firestar Diamond Inc.  
Debtor  
Trustee Number: 520258  
Trustee Name: Richard Levi n  
Trustee

CHECKING

XXXXXXXXXXXX9796 (Continued)

### ACTIVITY IN DATE ORDER

DATE	DESCRIPTION	AMOUNT	BALANCE
5/16	WIRE TRANSFER DEBIT	9,246.75-	961,752.31
	[REDACTED]		
	[REDACTED]		
	[REDACTED]		
	[REDACTED]		
	[REDACTED]		
5/17	CHECK 131	303.24-	961,449.07
5/22	DEPOSIT 100018	247,288.41	1,208,737.48
5/22	DEPOSIT 100019	87,206.11	1,295,943.59
5/22	DEPOSIT 100020	53,415.84	1,349,359.43
5/22	BT0520 [REDACTED]	803.86-	1,348,555.57
5/28	Wire Transfer Credit	2,250.00	1,350,805.57
	[REDACTED]		
	[REDACTED]		
5/30	DEPOSIT 100021	51,644.06	1,402,449.63

### CHECKS IN NUMBER ORDER

DATE	CHECK NO	AMOUNT	DATE	CHECK NO	AMOUNT	DATE	CHECK NO	AMOUNT
5/07	119	1,800.00	5/17	131*	303.24	5/02	132	651.89

\* DENOTES MISSING CHECK NUMBERS

PO Box 9020, 95 Elm Street  
West Springfield, MA 01090-9020  
866-959-BANK (2265)  
www.bankatunited.com

Date 5/31/19

Page

1

Richard Levin  
Jenner & Block LLP  
919 Third Ave.  
New York NY 10022

**Questions:**

(800) 634-7734

[Banking@BMSAdvantage.com](mailto:Banking@BMSAdvantage.com)

[BMSAdvantage.com](http://BMSAdvantage.com)

Case Number: 18-10511  
Case Name: Fantasy Inc.  
Debtor  
Trustee Number: 520258  
Trustee Name: Richard Levin  
Trustee

Once a check is deposited into your account, you should wait 7 business days to see if it is returned before writing checks against the deposit. Returned deposit items (RDI's) may occur due to non-sufficient funds or stop payments at the payor's bank. If you have a deposit returned, you will be notified immediately by email and sent a notice through regular mail. If you receive an RDI notice, immediately place stops on any checks on that deposit and arrange for a replacement deposit.

## SUMMARY OF ACCOUNTS

ACCOUNT NUMBER	TYPE OF ACCOUNT	ENDING BALANCE
XXXXXXXXXXXX9842	CHECKING	467,209.68

..... CHECKING/MMA ACCOUNT.....

ACCOUNT TITLE: Richard Levin

CHECKING		ENCLOSURES	0
ACCOUNT NUMBER	XXXXXXXXXXXX9842	Statement Dates	5/01/19 thru 6/02/19
PREVIOUS BALANCE	467,209.68	DAYS IN STATEMENT PERIOD	33
DEPOSITS	.00	AVERAGE BALANCE	467,209.68
DEBITS	.00	AVERAGE COLLECTED	467,209.68
SERVICE CHARGE	.00		
INTEREST PAID	.00		
NEW BALANCE	467,209.68		

END OF STATEMENT

IF YOUR NAME OR ADDRESS IS SHOWN INCORRECTLY, PLEASE COMPLETE THE SECTION  
BELOW AND RETURN THIS SECTION TO US BY MAIL OR DELIVER TO OUR ADDRESS.

NAME

(PLEASE PRINT)

STREET  
ADDRESS

CITY

STATE

ZIP CODE

DATE

AUTHORIZED  
SIGNATURE

THIS CHANGE APPLIES TO:

☐ CHECKING ACCOUNT  
☐ INSTALLMENT LOAN

☐ SAVINGS ACCOUNT  
☐ SAVINGS CERTIFICATE

☐ MORTGAGE LOAN  
☐ OTHER

† CUT ALONG THE DOTTED LINE †

USE THIS SECTION FOR RECONCILING YOUR ACCOUNT

CHECKS OUTSTANDING				DEPOSITS NOT ON STATEMENT		BEFORE RECONCILING • DEDUCT ANY SERVICE CHARGES OR OTHER DEBIT CHARGES ON STATEMENT FROM YOUR CHECKBOOK BALANCE • ADD ANY INTEREST CREDITS OR OTHER CREDITS TO YOUR CHECKBOOK.
NUMBER	AMOUNT	NUMBER	AMOUNT			
		TOTAL FROM FIRST COLUMN				
						LAST BALANCE ON STATEMENT
						ADD DEPOSITS NOT ON STATEMENT +
						TOTAL
						DEDUCT TOTAL CHECKS OUTSTANDING
						YOUR CHECKBOOK SHOULD SHOW THIS BALANCE
TOTAL TO TOP OF NEXT COLUMN		TOTAL CHECKS OUTSTANDING			TOTAL DEPOSITS	

PLEASE CHECK CAREFULLY AND  
REPORT ANY DIFFERENCES

IN CASE OF ERRORS OR  
QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

Telephone us at (866) 959-BANK or write us at United Bank, Operations Department, PO Box 9020, 95 Elm Street, West Springfield, MA 01090-9020, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

1. Tell us your name and account number.
2. Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation.

The following pertains to accounts established for personal, family, or household purposes only.

BILLING RIGHTS SUMMARY  
IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR STATEMENT

If you think your statement is wrong, or if you need more information about a transaction on your statement, write us at United Bank, Operations Department, PO Box 9020, 95 Elm Street, West Springfield, MA 01090-9020, as soon as possible. We must hear from you no later than sixty (60) days after we sent you the first statement on which the error or problem appeared. You may telephone us, but doing so does not preserve your rights.

IN YOUR LETTER GIVE US THE FOLLOWING INFORMATION

1. Tell us your name and account number.
2. Tell us the dollar amount of the suspected error.
3. Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.